

THE PRESIDENT'S INTELLIGENCE CHECKLIST

9 JULY 1962
TOP SECRET

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1. Algeria

Morocco will be the scene of reconciliation talks which start today between the two contending factions. Both sides are at least agreed that it would be tragic to plunge Algeria into civil war, and they may succeed in papering things over for the time being. This will not be easy, however, as Ben Bella probably feels he has the upper hand and will press demands that the Algerian "parliament" (where he has a majority) be reconvened and that Ben Khedda's cabinet be replaced by the seven-man politburo (favorable to Ben Bella) which was elected by the last national council session. Ben Khedda has shown no disposition to be that accommodating.

2. Brazil

Goulart's nomination as Premier of 51-year old Laborite Francisco Brochado da Rocha will be distasteful to the conservative-moderate opposition which dominates the assembly. Its members, however, have been impressed with Goulart's recent show of strength and are fearful of what he may do next, should the crisis be prolonged; they may thus approve the nomination at today's session as the lesser of several evils. Should the assembly reject Rocha it will reinforce Goulart's contention that the parliamentary system is not for Brazil, and that there is need to return to some sort of presidential system either through a plebiscite or a constitutional amendment by the new assembly next fall.

(cont'd)

Rocha, an able lawyer, is a close associate of Rio Grande do Sul's ultra-nationalist governor Brizola for whom he has been hatchet man in actions against US-owned utilities in that state.

3. Laos

Souvanna has instructed Vientiane to suspend all action on establishing diplomatic relations until matters are settled at Geneva. Souvanna still intends to accord recognition to anyone and everyone, but he does not want complications over recognition to stall a settlement.

Late press reports indicate that a compromise has been reached at Geneva on the touchy issue of how to handle Laos' relation to SEATO in the neutrality declaration to be issued as part of the Geneva agreement.

4. Moscow Disarmament Conference

The week-long World Congress for General Disarmament and Peace opened this morning in Moscow with Khrushchev as scheduled feature performer. There are signs that Peiping may go part way (at least publicly) toward underwriting Moscow's views on disarmament as a quid pro quo for Khrushchev's recent declaration of military support for Peiping. In any case, fearful lest Sino-Soviet differences reduce the propaganda impact of the conference, both sides will go all out in a public display of solidarity. Even the Albanians present will probably behave themselves. We, of course, will be coming under a heavy propaganda barrage.

5. Burma

Ne Win may be in for more instead of less trouble for the high-handed way he suppressed a leftist-led student demonstration. Student martyrs have served before in Burma as a focus for antigovernment agitation, and Saturday's massacre will tend to rally the many civilian opposition elements who oppose Ne Win's dictatorial methods.

6. Belgium

There is a good chance the Lefevre coalition government will topple, possibly as early as tomorrow when the education budget comes up for debate and almost certain rejection. Socialist and Social Christian coalition partners have been at each other's throats over the question of expanding religious influence in the education system. Neither party is disposed to compromise, and both are prepared to take the issue to the polls.

7. Taiwan Strait

There have been no major new developments in the military situation during the past several days.

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8. Adenauer-De Gaulle meeting

Although we still have no word on what they said in private, Adenauer and De Gaulle at their meeting in Paris agreed to pursue European political integration without waiting for British accession to the Common Market.

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NOTES

- A. A strike wave is gathering force and may well swamp Austrian Chancellor Gorbach's shaky coalition.
- B. The East Germans are still pressing for trade credits from West Germany and a meeting of interzonal trade negotiators to discuss the matter is set for Thursday.
- C. An editorial in Pravda today described the President's call for US-European interdependence as a "new holy alliance" against communism in preparation for "touching off a world thermonuclear war."
- D. Adenauer's Christian Democrats dropped eight seats and lost their absolute majority in the North Rhein-Westphalian elections. They now have 96 seats out of 200 in the state legislature. The Social Democrats have 90; up 10.

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